



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 1/23/2002

GAIN Report #AU2002

Austria

Product Brief

Rice

2002

Approved by:

Paul Spencer

U.S. Embassy Vienna

Prepared by:

Walter Krucsay

Report Highlights:

The Austrian rice market is relatively stable. The bulk of rice consumed by Austrians is long grain rice but there is a slight trend to round and medium grain rice. Rice convenience products are making advances. The main rice supplier is Italy.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna[AU1], AU

Summary

Rice consumption is fairly stable at 4 kg per capita. The market is dominated by long grain rice but there is a trend to short and medium grain rice. In addition, convenience products and rice mixtures are finding a growing market. With more than a 50% share of the market, Italy is the main rice supplier. Officially, U.S. shipments account for 4%; however, due to trans shipments, actual U.S. rice imports are higher. End summary.

Market and Consumption trends

In recent years, the rice market has been fairly stable and per capita consumption fluctuates at around 4kg. There is a trend to round and medium grain rice, basmati and risotto rice, but the bulk of rice consumed by Austrians is still long grain rice.

According to a recent poll, 85% of the population uses rice as a side dish. Rice as main dish is seldom seen; if rice is a main dish, then it is risotto.

More mixtures, specialities, and convenience products are appearing on the market. In 2001, dehydrated rice meals had a market share of 10% of the total dry ready-to-eat dish market. About 1.1 million dry ready-to-eat rice meals, worth Euro 1.7 million, were sold. Particularly the sale of Asian type meals has been increasing since, at present, Asian cuisine is "in". Frozen ready-to-eat meals are available for some time. Again most are Chinese, Indian, and Thai meals, and only few claim to be Austrian cuisine. In Austria, the market leader for branded rice is Uncle Ben's of Master Foods, which has its own ready-to-eat production facility in the country.

Higher duties after EU accession resulted in a decline in broken rice consumption. Broken rice is mainly used by the domestic brewery industry.

Domestic and Foreign Competition

Austria is not a rice producer. Thus, the entire rice requirement is imported. In 2000, rice imports were 30,700 MT, about the same volume as in 1999. The 2000 value was around Euro 21,700. The share of non-broken rice was 22,600 MT of which 53% came from Italy, 16% from Belgium, 14% Germany, 5% from the Netherlands, 4% from the U.S., and the rest from various other countries.

The major quantity (around 14,000 MT) was parboiled rice of which about 13,000 MT was long grain rice. The bulk of non-parboiled rice was also long grain rice. The total share of long grain rice is around 82%. With all rice types, Italy was the primary supplier.

Direct U.S. deliveries are small; however, the actual share of U.S. rice is larger as a significant part of supplies passing through Germany, Belgium, the Netherlands, and Italy is U.S. rice. The main competitor for U.S. long grain rice is probably Thai rice coming through these countries. About equal parts of the 900 MT direct imports from the U.S. are parboiled and non-parboiled long-grain rice.

Since EU accession, the bulk of broken rice comes from Italy. In 2000, it supplied 70%, followed by Thailand with 20% of 8,000 MT total broken rice imports.

Distribution Channels

Austria has no rice mill but rice packing is carried out within the country. However, many traders have packaging done directly at mills in Germany, the Netherlands, Belgium, and Italy. Imports are carried out by wholesalers and by large supermarket chains. In addition, agencies are involved in the rice business. The major share of rice is sold by the large supermarket chains which cover more than 90% of the Austrian food market. Brown rice and organic white rice is also sold in health food shops.

Pricing

Wholesale prices are not available. Retail prices are as follows:

“Uncle Ben’s” parboiled long grain, 500g box

Euro 1.66

“Quality Line” parboiled long grain, 1kg box

Euro 2.7

“Quality Line” Italian middle grain, 1kg box Euro 1.3

“Clever” long grain, 500g box, Euro 0.79

“Clever” long grain in cooking bag, 500g box, Euro 0.85

"Gallo" risotto, 500g box, Euro 1.3

"Facile" round grain, 1kg box, Euro 1.01

"Himalaya Gold" basmati, 500g box, Euro 1.3

Packaging and Labeling Requirements

- Name under which the product is sold
- Ingredients, including food additives, in descending order (regards rice mixtures, rice

dishes)

- Net weight or quantity in metric units
- Expiration date (day/month/year)
- Lot number (producer, manufacturer, packer, or first wholesaler)
- Name or firm name and address of the manufacturer or packer, or first wholesaler
- Place of origin, including any particulars needed to clarify to consumers the true origin of the foodstuff
- Nutritional labeling (per the Austrian Ordinance on Labeling of Nutritional Values, Federal Gazette 896/1995): nutritional value including content of protein, carbohydrates, fat, fiber, minerals and vitamins. This regulation is compulsory if a nutritional claim appears on the label, in presentation, or in advertising, with the exception of generic advertising. Nutritional claims permitted are limited to those related to energy values and the following nutrients: protein, carbohydrates, fat, fiber, sodium, and prescribed vitamins.

Health claims and any health-related information on a food product require registration of the product at the Federal Chancery.

Food products can enter the country with standard U.S. labels or unlabeled, but before distribution they must be labeled in accord with local requirements. Stick-on labels meeting local requirements are permitted. Labeling must be in German.

Import Regulations

Imports of rice require an import license from Agricultural Market Austria. The importer has to apply for the license which is routinely issued. The import duty is calculated from the actual world market price but has ceilings. The maximum import duty is as follows:

Milled rice, parboiled:

1006 3061 001	round grain	416 Euro/MT
1006 3063 001	medium grain	416 Euro/MT
1006 3067 001	long grain	416 Euro/MT

Milled rice, not parboiled:

1006 3092 001	round grain	416 Euro/MT
1006 3994 001	medium grain	416 Euro/MT
1006 3098 001	long grain	416 Euro/MT

In addition to the normal duty imports, there is a duty free quota. In the framework of this EU quota, imports of all aforementioned rice types are duty free. The importer applies for

these imports at AMA.

Broken rice:

1006 4000 901 broken rice 128 Euro/MT

1006 4000 901 broken rice 100 Euro/MT if imported within the quota.

Exchange rate: 1Euro = US \$ 0.90 on January 23, 2002

All imports are subject to a 10% import tax.

The following food regulations must be observed (regards ready to eat rice dishes):

Directive 94/35/EC on sweeteners (Suessungsmittelverordnung, Federal Gazette # 547/1996 and 680/1996) sets conditions for the use of permitted sweeteners e.g. sorbitol, saccharine, etc.

Directive 94/36/EC on colors (Farbstoffverordnung, Federal Gazette # 541/1996) establishes a list of permitted colors and conditions of use (including maximum levels of use in particular foodstuffs), a list of foodstuffs in which colors may not be used, and a list of colors permitted for certain uses only.

Directive 95/2/EC on food additives other than colors and sweeteners (special miscellaneous directive) establishes a listing of generally permitted additives, conditionally permitted preservatives and antioxidants, anti-caking agents, emulsifiers, stabilizers, etc.

A list of rice importers/wholesalers can be obtained from the agricultural office of the American Embassy in Vienna, fax: 0043 (1) 3108 208